

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, FEBRUARY 14, 2017, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Greg Heineman, Ted Hustead, Don Kettering, Pat Prostrullo, Tom Jones, Norbert Sebade, Reed Kessler, Spencer Hawley and Billie Sutton

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore, Katelyn Hump, Natalie Likness, Cassidy Kulesa and Dale Knapp

Other Staff Present

Sam Helma - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:31 a.m.

Agenda

A motion was made by Pat Prostrullo and seconded by Mike Luken to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Sharon Casey and seconded by John Calvin to approve the minutes of the meetings held January 10, 2017 and February 6, 2017, as presented.

Motion passed by a roll call vote.

Conflicts Disclosure

Chairman Erickson opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. There were none from board members and no objection to proceeding with the agenda.

Executive Session

A motion was made by John Calvin and seconded by Don Kettering to enter into executive session at 9:50 a.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:25 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

A motion was made by Sharon Casey and seconded by Greg Heineman to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Old Business

Red's All Natural, LLC

A motion was made by Pat Prostrullo and seconded by Don Kettering to approve an increasing the loan amount to \$2,133,276, not to exceed 45% of project costs.

Motion passed by a roll call vote.

Red's All Natural, LLC - RPP

A motion was made by Ted Hustead and seconded by Dale Clement to approve increasing the award amount to \$192,436, not to exceed 100% of the State Sales/Use tax paid on eligible project costs.

Motion passed by a roll call vote.

Sioux Falls Development Foundation

A motion was made by Mike Luken and seconded by Sharon Casey to approve the collateral release as presented.

Motion passed by a roll call vote.

Reinvestment Payment Program

Dakota Provisions

A motion was made by Ted Hustead and seconded by Don Kettering to deny the Reinvestment Payment application of Dakota Provisions as recommended by staff in the board packet.

Motion passed by a roll call vote.

Ottertail Power Company

A motion was made by John Calvin and seconded by Pat Prostrullo to approve the Reinvestment Payment application of Ottertail Power Company as recommended by staff in the board packet.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$4,720,500 but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs, is approved for Otter Tail Power Company. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 10:35 a.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or
Tony Klein, Treasurer